



**Office of the Attorney General
Paul G. Summers**

**Department of Commerce and Insurance
Commissioner Paula Flowers**

NEWS RELEASE

Office of the Attorney General
P.O. Box 20207 Nashville, TN 37202-0207

Department of Commerce and Insurance
Division of Consumer Affairs
500 James Robertson Parkway Nashville, TN 37243

FOR IMMEDIATE RELEASE
Sept. 29, 2006
#06-36

CONTACT:
Sharon Curtis-Flair
(615) 741-5860

**COURT APPROVES \$2,245,000 AGREEMENT WITH FAIRFIELD GLADE
COMMUNITY CLUB**

Circuit Court Judge Amanda McClendon has approved an agreement between the State and the Fairfield Glade Community Club regarding allegations the Club claimed future community development, which never occurred.

The Board of Directors authorized the settlement. The Fairfield Community Club "Community Club" is the property owners' association at a retirement community developed by Fairfield Resorts, Inc. The Community Club is a Tennessee nonprofit corporation. According to the State's petition filed today, the Club allegedly continued to collect assessments even after the original plan for the development of a retirement community was abandoned. The Club is alleged to have used money paid primarily by owners of undeveloped lots for the upkeep of improvements and amenities used on a regular basis by residents.

The State also alleges the Club foreclosed on lots even when the developer had been fully paid for the lot, if assessments were in arrears. The possibility of foreclosure for nonpayment of assessments was not clearly and conspicuously and adequately disclosed at the time of sale.

Fairfield Glade Community Club has denied wrongdoing as part of the agreement. The Club will be implementing a tiered assessments program based on level of development of a lot

(excluding developers or investors) with undeveloped lot owners paying the least amount (if any) in assessments.

The Community Club has agreed to forgive and will not seek to collect delinquent assessments estimated at \$2,200,000, which includes: all assessments for all consumers who were delinquent prior to Dec. 31, 2005; all delinquent assessments from an eligible consumer under the agreement with Fairfield Resorts, Inc. executed on Aug. 29; and all assessments for consumers whose assessments have been continuously delinquent for one year up to the date of today's agreement. Within 30 days, eligible consumers will begin receiving letters notifying them of the amount of debt forgiven and the opportunity to have any negative credit record entries corrected. The Community Club will pay the State a total amount of \$45,000.

Fairfield Resorts, Inc., the developer at the resort, entered into a separate agreement with the State of Tennessee on Aug. 29, 2006.

A number of additional conditions and restrictions are listed in the agreement. To view a copy of the court-approved agreement, please visit the Attorney General's web site at www.AttorneyGeneral.state.tn.us/info.htm under the Cases of Interest Section.